

May 31, 2018

Patrick N. Baker  
Executive Director  
Aleut Community of Saint Paul Island  
Tribal Government of Saint Paul  
4720 Business Park Blvd, Suite G-40  
Anchorage, AK 99503



**Re: Proposal to Provide Wetlands Permitting for the Polovina Turnpike Road Extension on St. Paul Island, MSE Project No. 18-122**

Dear Mr. Baker:

Midnight Sun Environmental, LLC (MSE) is providing this cost proposal to the Aleut Community of St. Paul Island (St. Paul) to obtain all necessary United States Army Corps of Engineers (USACE) permits necessary to construct the Polovina Turnpike Road Extension.

MSE understands that three new road segments totaling 1,647 linear feet are being proposed as part of this project. Construction will use approximately 13,500 cy of fill and will result in the installation of one culvert. MSE previously prepared a Final Wetlands Determination Report for the Polovina Turnpike Extension Project. MSE is familiar with the project and with the project area.

MSE understands timely procurement of all environmental permits is needed to ensure that the construction projects will go forward smoothly and in accordance with the anticipated fall 2018 construction schedule. Based on the information provided to date, MSE will seek a Nationwide Permit 14 for this project. A Nationwide Permit 14 is sufficient where no more than a half-acre of fill will be placed in wetlands. If the project impacts Jurisdictional Wetlands, then a preconstruction notification (PCN) will need to be prepared to receive the Nationwide 14 permit.

## **PROJECT SCOPE**

### Task 1: Review Background Material

To prepare the PCN, MSE will need to evaluate existing background material including determining the project's impacts on Threatened and Endangered species or critical habitat and the project's potential to impact cultural resources or historic properties. If not already done, MSE will submit the preliminary justification determination (PJD) form that MSE previously prepared for Bristol Engineering as part of the preliminary wetlands determination for the Polovina Turnpike Extension Project.

### Task 2: Permitting

MSE will obtain a Nationwide Permit 14 for the Polovina Turnpike Extension Project. To obtain this permit, MSE will need to prepare a PCN to be submitted to the USACE for approval. A PCN is required when (1) loss of waters of the U.S. exceeds 0.10 acre, or (2) the discharge occurs in a "special aquatic site", including wetlands. MSE will prepare a

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PCN because jurisdictional wetlands will be impacted by the proposed project. MSE personnel will work with the USACE and the applicant to answer questions during the agency review process, assist in mitigation and avoidance options, as well as respond to comments received through the agency comment period.

*Deliverables:* Digital draft copy of the permit application and preconstruction notification. Final copy of the application one week following receipt of comments from St. Paul. Draft Response to Comments on the application and agency comment periods.

#### **COSTS AND ASSUMPTIONS**

MSE proposes to obtain all permits needed from the USACE on a time and materials basis at a rate of \$110/hour for staff and \$180/hour for a senior wetlands specialist plus expenses for an estimated amount of **\$8,500**.

While we have done our best to estimate the budget necessary to complete the tasks listed above, additional budget may be required. We will notify you when we have reached 90% of the authorized budget.

In completing the costs for the above referenced tasks MSE assumes that:

- St. Paul will provide MSE with a map clarifying the actual boundaries of the Study Area.
- St. Paul will provide MSE with recent aerial imagery of the Study Area for use in GIS analysis.
- There are no known cultural or historic sites within the project area.
- There are no known critical habitat or endangered and/or threatened species located within the project area.
- The construction will result in a loss of no greater than half-acre of wetlands. If the project will result in a larger impact, then MSE can provide permitting, but at an additional cost.
- No construction permits or engineering plan reviews are included.
- All permit fees will be paid by St. Paul.

MSE appreciates the opportunity to submit this proposal and we look forward to working with you on this project. If you have any questions, or if we can provide any additional information, please contact me at 907-947-0099.

Warmest Regards,

**MIDNIGHT SUN ENVIRONMENTAL, LLC**



Brian F. Koval, R.E.M.  
Vice President/Project Manager

**Enclosures:**

- (1) Notice to Proceed
- (2) 2018 Standard Rate Schedule

**Midnight Sun Environmental, LLC  
Agreement &  
Authorization to Proceed**

This Authorization and Agreement is made by and between the Aleut Community of Saint Paul Island, DBA Tribal Government of Saint Paul (St. Paul) and Midnight Sun Environmental, LLC (MSE) on this 31th day of May, 2018 and is specific to MSE's proposal: *Proposal to Provide Wetlands Permitting for the Polovina Turnpike Road Extension on St. Paul Island, MSE Project No. 18-122.*

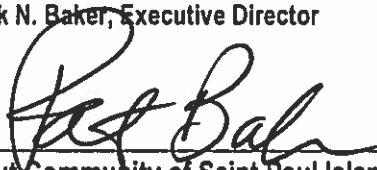
MSE will provide services to St. Paul, and St. Paul will provide payment to MSE on a time and materials basis at a rate in accordance with this Agreement, the Proposal and MSE's 2018 Schedule of Charges and General Conditions, all of which collectively form the Contract Documents. Payment for MSE services will be made by St. Paul within 30-days of receipt of invoice from MSE. Unless specifically noted otherwise in our proposal or in this Agreement and Authorization to Proceed, MSE services and all MSE subcontractors provided under this proposal are not required to conform to Prevailing Wage, Service Act, Certified Payroll or any other labor agreements. The following persons are the designated representatives for each party:

Brian Kovol, REM, Vice President  
**Midnight Sun Environmental, LLC**  
7941 Sandlewood Place  
Anchorage, AK 99507  
Telephone: 907-344-3244

Executed in Anchorage, Alaska by:

**Patrick N. Baker, Executive Director**

Sign:

  
\_\_\_\_\_  
**Aleut Community of Saint Paul Island**  
**Anchorage Support Office**  
**4720 Business Blvd, Suite G-40**  
**Anchorage, Alaska 99503**

Please remit via e-mail to [brian@midnightsunenv.com](mailto:brian@midnightsunenv.com)

Billing Email Contact	<i>pnbaker@aleut.com</i>
P.O. or Reference Numbers	
Special Instructions	



Midnight Sun Environmental, LLC  
7941 Sandlewood Place  
Anchorage, Alaska 99507  
Phone: (907) 344-3244  
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#### 2018 SCHEDULE OF CHARGES AND GENERAL CONDITIONS

Engineer/Scientist V .....	\$180/hour	Misc. Communications/Copies .....	3% billable labor
Engineer/Scientist IV .....	\$155/hour	Expert Witnesses .....	\$350/hour
Engineer/Scientist III .....	\$125/hour	Reimbursables or Subcontractors .....	Cost plus 15%
Engineer/Scientist II .....	\$110/hour	Mileage Reimbursement Rates .....	54.5 cents/mile
Engineer/Scientist I .....	\$95/hour	Vehicle Rental Charge.....	\$150/day (in town travel rate)
Project Assistant II .....	\$75/hour		
Project Assistant I/Technician .....	\$65/hour		

- 1. Payment Terms** – The client agrees to pay Midnight Sun Environmental, LLC (MSE) invoices (billed monthly) upon receipt. Interest of 1-1/2% per month (but not exceeding the maximum allowable by law) will be added to any account not paid within 30 days. It is agreed that any attorney's fees or other cost incurred in collecting any delinquent amount shall be paid by the Client. Hourly rates and cost estimates do not include sales tax; these will be added in any applicable jurisdiction. No deduction shall be made from MSE's invoices on account of retention or liquidated damages, unless expressly included in the Agreement. After five days prior notice to the Client, MSE may suspend services until paid on invoices over 60 days, which are not reasonably in dispute.
- 2. Personnel Charges**  
Charges for employees are determined by the regular hourly rates listed above. When travel is required for work, time spent will be charged for in accordance with this schedule; when traveling by public carrier, a maximum charge of eight hours per day will be made. Airline tickets will be purchased at the fully refundable price whenever applicable.
- 3. Overtime/Minimum/Rush Charges** – If required, hours worked on any project in excess of eight hours per day, before 7:00 a.m. or after 6:00 p.m., or on weekends, will be charged at 140% of the regular hourly rate. Work on State of Alaska projects or national holidays will be charged at an additional premium depending on the project. A minimum of two hours will be charged per site visit.
- 4. Standby Charges** – In the event that standby time is incurred due to either weather or circumstances beyond the control of MSE, standby time will be billed at a maximum charge of 8 hours per day per personnel involved.
- 5. Testimony** – Should MSE or any MSE employee be compelled by law to provide testimony or other evidence by any party, whether at deposition, hearing or trial, in relation to services provided under this Agreement, and MSE is not a party in the dispute, then MSE shall be compensated by the Client for the associated reasonable expenses and labor for MSE's preparations and testimony at appropriate unit rates. If MSE or an MSE employee acts as an expert witness on matters outside the scope of a particular consulting services contract, expert witness fees will be charged both for preparation and attendance at any hearings.
- 6. Termination** – Either party may terminate this Agreement without cause after 30 days written notice. This Agreement will terminate immediately upon the insolvency of the Client. In the event the Client requests termination prior to completion of proposed services, the Client agrees to pay MSE for reasonable charges incurred to date and associated with termination of work. Either party may terminate this Agreement for cause after 10 days written notice of the reason for termination. If the party notified of termination for cause, cures the reason for the termination prior to the termination date, the termination notice shall be withdrawn.
- 7. Site Operations** – Client will arrange for right-of-entry to any property necessary for MSE and/or its Subcontractors to perform the contract tasks outlined in MSE's proposal or required by this Agreement. The Client represents that it possesses necessary permits and licenses required for the activities of MSE and its subcontractors at the site. While MSE will take all reasonable precautions to minimize damage to the property, Client agrees that MSE shall not be liable for damage or injury arising from damage to subterranean structures (pipes, tanks, phone lines, pipelines, etc.) which are not called to MSE's attention and correctly identified on plans furnished by the Client in connection with work performed under this Agreement.
- 8. Relationship of Parties/Standard of Care** – MSE agrees to provide those specific consulting services set out in its fee proposal or in the form of agreement attached hereto as an independent contractor to the Client. These services are for the sole benefit and exclusive use of the Client. No other party shall be entitled to rely upon any work products provided to the Client and MSE shall not be responsible to any such third party with respect to any statements contained in such reports.  
  
MSE and its employees will use the degree of skill and care in the performance of the consulting services ordinarily exercised by reputable members of its profession, practicing in the same or similar localities at the time of the performance of such services based on the then-current state of practice. Due to the nature of professional consulting services, no warranty or guarantee, whether expressed or implied, is or can be made in or intended by MSE's proposal, under any agreement or in any report provided by MSE as a result of such consulting services. MSE's liability under this Agreement shall be restricted to the performance of the services hereunder and in no event shall MSE be responsible for any consequential losses which Client may suffer as a result of any breach of this Agreement.
- 9. Environmental Indemnity** – In connection with toxic or hazardous substances or constituents and to the maximum extent permitted by law, Client agrees to defend, hold harmless and indemnify MSE from and against any and all claims, liabilities, or judgments, except to the extent finally determined as being caused by MSE's negligence or willful misconduct, resulting from: a) Client's violation of any federal, state, or local statute, regulation or ordinance relating to the management or disposal of toxic or hazardous substances or constituents, b) Client's undertaking of or

arrangement for the handling, removal, treatment, storage, transportation or disposal of toxic or hazardous substances or constituents, or contaminants of any nature or kind, found or identified at the site, c) Toxic or hazardous substances or constituents introduced at the site by client or third persons before, during or after the completion of MSE's services, d) Allegations that MSE is a handler, generator, operator, treater, storer, transporter, or disposer (unless expressly retained by Client for such services) under the Resource Conservation and Recovery Act of 1976 as amended or any other similar federal, state or local regulations or law due to MSE's services, or e) Any third party suit or claim for damages against MSE alleging strict liability, personal injury (including death) or property damage from exposure to or release of toxic or hazardous substances or constituents at or from the project site before, during or after completion of MSE's services under this Agreement.

10. Sample Retention and Waste Disposal - All hazardous and nonhazardous environmental and geotechnical samples and waste collected by MSE or generated through field operations shall remain the sole and exclusive property and responsibility of the Client. Client agrees all such samples and waste will be discarded within 90 days after analysis and reporting by the laboratory. Extended storage can be provided at Client's sole risk and expense. If requested, MSE will assist Client with the disposal of wastes and charge its normal rates.
11. Field Representation - The presence of MSE's or its subcontractors' field personnel, either full-time or part-time, may be for the purpose of providing project administration, assessment, observation and/or field testing of specific aspects of the project as authorized by Client. Should a third-party contractor(s) not retained by MSE be involved in the project, Client will advise such contractor(s) that MSE's services do not include supervision or direction of the means, methods or actual work of the contractor(s), his employees or agents. Client will also inform contractor that the presence of MSE's field representative for project administration, assessment, observation or testing, will not relieve the contractor of its responsibilities for performing the work in accordance with applicable regulations, or in accordance with project plans and specifications.  
  
If a third-party contractor (not a subcontractor of MSE) is involved in the project, Client agrees, that the contractor will be solely and completely responsible in accordance with generally accepted construction practices, for working conditions on the job site including security and safety of all persons and property during performance of the work, and compliance with all Client safety requirements and OSHA regulations. These requirements will apply continuously and will not be limited to normal working hours. It is agreed that MSE will not be responsible for job or site safety or security on the project, other than for MSE's employees and subcontractors, and that MSE does not have the duty or right to stop the work of the contract.
12. Cost Estimates - If requested, MSE will use its best efforts and experience to provide realistic opinions or estimates of costs for remediation, construction or other services as appropriate, based on reasonably available data, MSE's designs or MSE's recommendations. However such opinions are intended solely to provide information on the order of magnitude or scale of such costs and are not intended for use in firm budgeting or negotiation unless specifically agreed to by MSE in writing. Client understands actual costs of such work depend heavily on regional economics, local construction practices, material availability, site conditions, weather conditions, contractor skills, and many other factors beyond MSE's control. MSE includes a 3% charge to estimates involving direct labor for miscellaneous copies and long distance phone calls. This fee is not intended to include costs for production of documents or regular long distance phone calls for a project, which will be budgeted separately in addition to this misc. fee. Per diem for work in areas outside the Anchorage area will be based on the applicable federal rates.
13. Documents - MSE will furnish Client with the agreed upon number of written reports and supporting documents. These instruments of services are furnished for the Client's exclusive internal use and reliance. All documents prepared by MSE under this Agreement shall remain the sole property of MSE. Any unauthorized use or distribution of MSE's work shall be at Client's and recipients' sole risk and without liability to MSE. Client agrees that all documents furnished to Client or Client's agents or designees, if not paid for, will be returned upon demand and will not be used by Client or any other entity for any purpose whatsoever. Client further agrees that documents produced by MSE pursuant to this Agreement, will not be used for any endeavor not expressly provided for in this Agreement, without MSE's written consent. Field tests or boring locations described in MSE's reports or shown on sketches may be based on information furnished by others or estimates made in the field by our personnel. Such dimensions, depths or elevations should be considered as approximations unless otherwise stated in our proposal or report.
14. Confidentiality - MSE will maintain as confidential any documents or information provided by Client and will not release, distribute or publish same to any third party without prior permission from Client, unless compelled by law or order of a court or regulatory body of competent jurisdiction. Client will maintain as confidential any documents or information provided by MSE and will not release, distribute or publish same to any third party without prior permission from MSE, unless compelled by law or order of a court or regulatory body of competent jurisdiction.
15. Claims - The parties agree that prior to filing of any suit, they will attempt to resolve any and all disputes utilizing alternative dispute resolution, specifically a Dispute Resolution Board (DRB). A DRB shall be selected by the parties as follows. Each Party shall select one DRB member. The selected DRB members shall then select a third DRB member. The DRB shall, within 30 days of the selection of the final member, convene to hear the claims and defenses of the parties. Within 15 days after closing of the hearing, the DRB shall issue a decision addressing the claims and defenses of the parties and recommending what amounts, if any, one party should pay to another party. The decision of the DRB is not binding on any party. However, the parties agree that the decision of the DRB shall be admissible as evidence in any subsequent legal proceeding. Each party shall share equally in the costs and expenses of the DRB. Each party shall bear its own attorney fees and costs up through the date of the first filing of any litigation. However, in the event a claim results in litigation, the unsuccessful party to the litigation shall pay all costs incurred in pursuing and defending the claim, including reasonable attorney's fees.
16. Priority Over Form Agreements/Purchase Orders - The Parties agree that the provisions of these terms and conditions shall control over and govern as to any form writings signed by the Parties, such as Client Purchase Orders, Work Orders, etc., and that such forms may be issued by Client to MSE as a matter of convenience to the Parties without altering any of the terms or provisions hereof.
17. Survival - All provisions of this Agreement for indemnity or allocation of responsibility or liability between Client and MSE shall survive the completion of the services and the termination of this Agreement.
18. Severability - In the event that any provision of this Agreement is found to be unenforceable under law, the remaining provisions shall continue in full force and effect.
19. Assignment - This Agreement may not be assigned by either party without the prior permission of the other.
20. Integration - This Agreement, the attached documents and those incorporated herein constitute the entire Agreement between the parties and cannot be changed except by a written instrument signed by both parties.